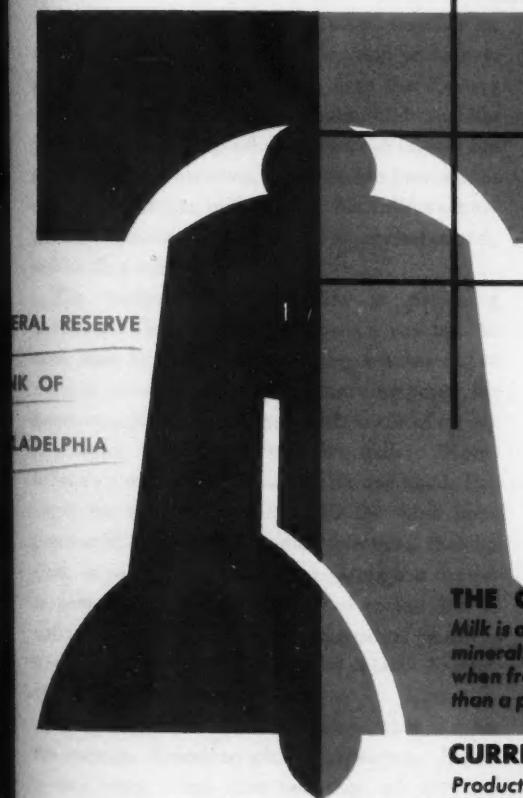


MAY 1955

MAY 26 1955

MONEY, BANKING,
CREDIT, FINANCE

business review



THE COW: A SOURCE OF HEALTH

Milk is a complete food. It contains protein, carbohydrate, fat, minerals, vitamins, and water. Moreover, it is a delicious beverage when fresh and cool. Yet, the average American consumes less than a pint a day. Don't cow bells ring loud enough?

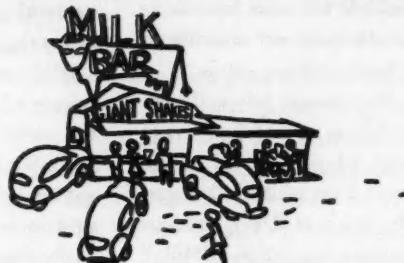
CURRENT TRENDS

Production workers' earnings in Third District factories have recovered most of the ground lost in the recession. Employment has been rising at a much slower pace.

*Additional copies of this issue are available
upon request to the Department of Research,
Federal Reserve Bank of Philadelphia,
Philadelphia 1, Pa.*

A SOURCE OF HEALTH

THE COW:



Time is a succession of days linked together by nights—at least so it seems to us, and perhaps to a cow. And so dawn breaks over the Eastern Seaboard. Before the sun is house-high and has yet some dew to mop off the grass, the farmer has already milked his cows. His wife has finished the washing-up in the milk house; his children have fed the chickens and have a few more chores to do before they slick up for school.

The metropolitan housewife is preparing breakfast. The kitchen door opens a wee bit. An arm, clad in the sleeve of a robe, reaches out to retrieve from the doorstep the morning paper, the morning milk, and perhaps a little bottle of cream. A frantic voice from upstairs calls: "Mom! Where's my green ribbon?" With one hand, Pop wipes the egg off his chin while the other hand pours milk on his cereal. Junior, now taller than his Dad, is pawing and muttering through a drawer in search of a particular pair of socks. But finally the house is silent. Mother pours cream in her coffee, and heaves a sigh of relief. Another day has begun.

Less than a pint of milk a day—that is what the average American citizen consumes. A pint is two cups. Less than two cups of milk per person a day.

The Swiss and the Swedes drink more milk than

we do. So do the Norwegians, Canadians and the Danes. The French, Belgians and Italians drink less milk than we do.

Everybody knows that milk is the nearest approach to the perfect food. The human body needs a balanced diet. No one food meets that requirement, but milk comes closest. Yet people consume it so sparingly.

Is it because milk is too expensive? Is it too hard to get? Is its quality unreliable? Is it too little advertised? Don't people like it; or do people tank up and fill up with so many other kinds of food and drink that there just isn't enough room left in American stomachs for more than about a pint of milk a day?

The April *Business Review* explained why so much milk is being produced. This issue will explore why so little milk is consumed.

MILK

What's in it?

Let us take a cup of milk apart to see what is in it. To begin with, milk as it comes from the cow is about 87 per cent water. Now, if that were the end of the story, milk at 22½ cents a quart would indeed be an expensive way to slake your thirst. (Incidentally, numerous other beverages

that come in bottles contain as much or more water at similar or higher prices.) Water in milk, however, serves as a vehicle for some invaluable ingredients. The other 13 per cent consists of solids—good, healthy, body-building solids.

The solids fall into two classes: fats and nonfat solids. Fat makes up 3.9 per cent of the average cup, which leaves about 9.1 per cent of nonfat solids. They are protein, 3.4 per cent; milk sugar, 4.9 per cent; and ash, 0.7 per cent. These numbers come right out of a publication entitled "Milk," A.I.B. 125 (which in this instance does not stand for American Institute of Banking, but rather Agriculture Information Bulletin of the United States Department of Agriculture). So much for the simple chemistry of a cup of milk.

Turning from chemistry to dietetics, we find that a cup of milk supplies 166 calories of food energy. Very few foods come loaded with so

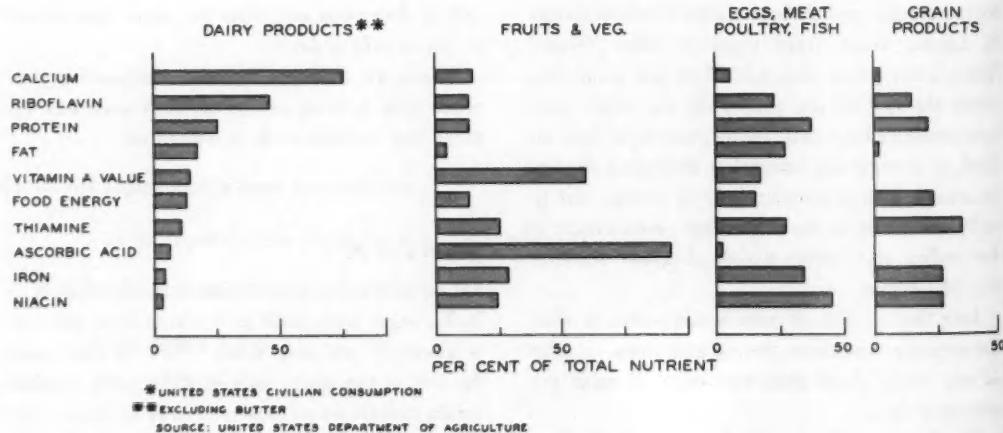
many calories in so little weight. The chief virtue of milk, however, is its completeness as a food, containing as it does protein, carbohydrate, fat, minerals, and water.

Milk, next to the white of an egg, is the best source of protein—and what is so tasteless as the white of an egg, as Job observed long, long ago! We have seen people, on a dare, pierce an egg and drink it. We prefer to drink milk. The protein in milk has high nutritive value and is easily digested.

The fat, curiously, receives so much emphasis when milk comes out of the cow and so little emphasis when milk goes into the consumer. Milk fat is easily digested, is already in emulsified form, and is readily absorbed by the body. If you would like to know how much fat you should consume, we think it advisable to consult a physician rather than a bank.

NUTRIENTS AVAILABLE IN THE NATIONAL FOOD SUPPLY, 1952*

Contributions of Four Major Food Groups



Milk sugar, or lactose—if you prefer the fancier term—is said to be less sweet than cane sugar, easily digested, and does not irritate the digestive system. Milk is the best source of calcium needed by children to build bones and teeth, and needed in large quantities by pregnant women and nursing mothers.

Milk also contains health-giving minerals and vitamins. It is one of the best sources of riboflavin, one of the B vitamins, and in somewhat lesser quantities milk contains vitamin A, thiamine, niacin, ascorbic acid, and iron. The relative importance of these ingredients available in dairy products is shown in the accompanying chart. Note how much calcium and riboflavin dairy products contribute to the national food supply.

The dietary cycle of man, from cradle to coffin, always begins with milk and often ends with milk. In between are stages like milk and vegetables; steak, french-fries, ham and eggs, coffee; pate de foie gras, caviar, Scotch, coffee and patisserie; milk and crackers. If he escapes the cardiac corridor, the chances are he winds up with just milk—cow's milk. Qualitatively, there is no significant difference between the human milk he drank upon arrival and the cow's milk he shifted to later.

A pathological note

In our mid-20th century mad pace of life, most people tear around so furiously that they have no time to think but apparently have time to worry. Be it the hurrying or the worrying or both, the fact is so many people develop ulcers that business executives are sometimes facetiously classified on the basis of the number of ulcers they have.

Milk is the backbone for dietary treatment of ulcers. The fluid has therapeutic qualities which help heal and may even increase the resistance of the mucous membrane of the stomach to ulcer-

ation. So in more ways than one the cow is a source of health.

From cow to consumer

In some parts of the world, cows are led from door to door to deliver milk directly into the pail of the consumer. That system assures delivery of strictly fresh but not necessarily wholesome milk. Here in this country we have a much more elaborate system of distribution and what our milk lacks in freshness, compared with the primitive system, is more than made up by complex controls to guarantee wholesome milk.

In Pennsylvania, as elsewhere, it has long been the custom of farmers to haul their milk in 40-quart cans to a central collecting point where the cans were picked up and taken to a processing plant. With ever-increasing installation of cold wall tanks at dairy farms, more and more milk rides to the processing plant in huge tank trucks somewhat resembling oil trucks except for the word "Inflammable" across the back end of oil trucks to warn the impatient motorist following without air brakes. A milk tank truck is a motorized thermos bottle.

A city milk processing and bottling plant does a job that scarcely deserves the term "manufacturing." Indeed, the trade does not so refer to it. What you see when going through such a plant are big tank trucks air-braking perhaps 13,000 lbs. of milk to a halt at the receiving platform, and a fleet of retail and wholesale delivery trucks scampering away in all directions from the shipping platform. Between these extremes is a stainless-steel symphony in sanitation.

You see heads of refrigerated storage tanks, also pipe lines, pasteurizing tanks to kill harmful bacteria with 15-second flash of heat at 160 degrees Fahrenheit, huge mechanical bottle washers,

miles of power conveyors, bottling machines, empty bottles and full crates on parade, hydraulic lift trucks, workers in white, milkmen with order forms, framed licenses and permits aplenty on office walls, and endless washing, scrubbing, and rinsing.

What you don't see is milk, almost. It is forever traveling through pipes or resting in refrigerated tanks or cold storage rooms. No one ever touches it. The plant is also equipped to homogenize milk, to make light and heavy cream, chocolate milk and drink, buttermilk, and numerous other dairy products; but usually not such things like evaporated and condensed milk, butter, and cheese. The latter products are customarily *manufactured* at country manufacturing plants.

Pennsylvania milk, in line with milk from the Northeast generally, goes to market for the most part as fresh, fluid milk. Wisconsin milk, in line with milk from the North Central region, goes to market more in the form of butter, cheese, and other manufactured milk products, rather than as fresh, fluid milk—as mentioned in the April *Business Review*. This should be kept in mind as we survey the entire milk market of the country.

The United States "Milky Way"

In the year ended March 31, 1955, the country's total milk production was 123 billion pounds. Calves got only 3 billion pounds which left 120 billion pounds for man. This is the way it went to market. Almost half of it was used in the form of fluid milk and cream. Slightly over one-fourth went into butter, over one-tenth into cheese, and smaller amounts into other products, as shown in the following table.

Utilization, by the way, is not necessarily consumption. Not all dairy products produced last year were consumed last year. Some of the stor-

MILK UTILIZATION (Year ended March 31, 1955)

	Billion pounds	Per cent
Total production	123	100
Fed to calves	3	3
Total for human use	120	97
Fluid milk and cream	60	49
Butter	32	26
Cheese	13	11
Ice cream	8	6
Evaporated, condensed, and dry whole milk	7	5

able products went into storage under Government loan; but this is not the appropriate place to go into that.

CONSUMER USES OF DAIRY PRODUCTS

Milk is older than leather because herdsmen antedate tanners. There are no antediluvian records of per capita milk consumption, so we must be content with more recent Department of Agriculture reports.

Take the past quarter-century. Crowded into those years have been the country's worst business depression, a major and a minor war, great social and technological changes, and rising standards of living. And what has happened to milk consumption? Annual per capita consumption in terms of total milk equivalent declined from 800 to 700 pounds.

During the depression of the thirties, consumption of dairy products held up very well. World War II had adverse effects. Money was abundant, but milk was not. It was rationed, price controlled, and put on every-other-day delivery. In the early post-war period, people were more interested in automobiles, radios, refrigerators, TV, and other things of which they had been deprived during the war even more than dairy products.

In more recent years when most things, including money, were abundant, demand for dairy

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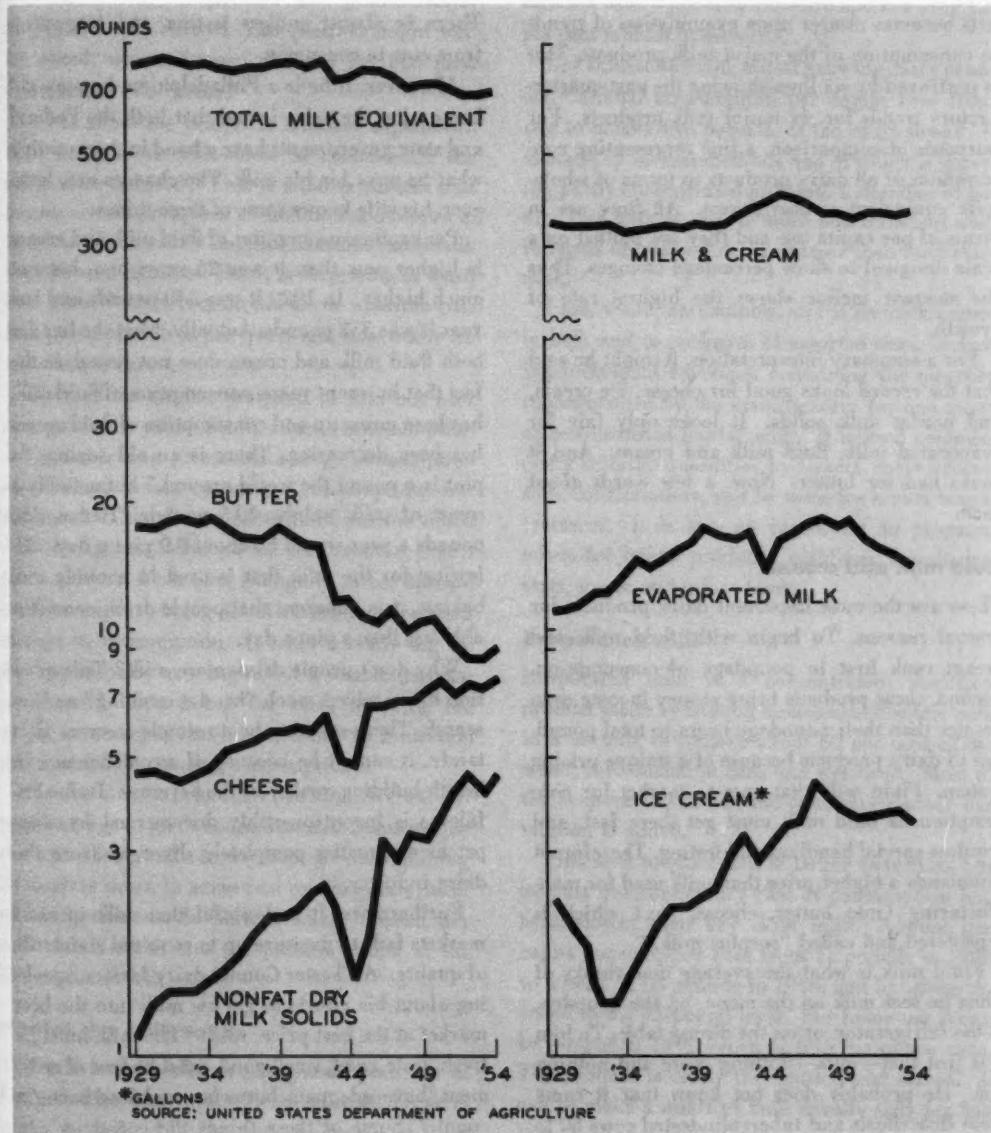
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ANNUAL PER CAPITA CONSUMPTION OF DAIRY PRODUCTS*



products has continued to lag. What has been happening to the over-all demand for dairy products becomes clearer upon examination of trends in consumption of the major milk products. This is portrayed by six lines showing the past quarter-century trends for six major milk products. For purposes of comparison, a line representing consumption of all dairy products in terms of whole-milk equivalent is also shown. All lines are in terms of per capita use and they are plotted on a scale designed to show percentage changes. Thus the steepest incline shows the highest rate of growth.

For a summary interpretation, it might be said that the record looks good for cheese, ice cream, and nonfat milk solids. It looks only fair for evaporated milk, fluid milk and cream. And it looks bad for butter. Now, a few words about each.

Fluid milk and cream

These are the most important dairy products for several reasons. To begin with, fluid milk and cream rank first in poundage of consumption. Second, these products bring money income even greater than their poundage bears to total poundage of dairy products because of a unique pricing system. Fluid milk that goes to market for consumption as fluid milk must get there fast, and requires special handling and testing. Therefore it commands a higher price than milk used for manufacturing (into butter, cheese, etc.) which is considered and called "surplus milk."

Fluid milk is what the average man thinks of when he sees milk on the menu, on the doorstep, in the refrigerator, or on the dining table. To him it is just that—milk—nothing more and nothing less. He probably does not know that it came from Brucellosis and tuberculin-tested cows 50 to

250 miles away; that it was pasteurized and perhaps homogenized, and tested for bacteria count. There is almost endless testing and inspecting from cow to consumer.

Moreover, if he is a Philadelphian, he may not know what the price is and that both the Federal and state governments have a hand in determining what he pays for his milk. The chances are, however, his wife knows some of these things.

Per capita consumption of fluid milk and cream is higher now than it was 25 years ago, but not much higher. In 1929 it was 340 pounds and last year it was 352 pounds. Actually, what the line for both fluid milk and cream does not reveal, is the fact that in recent years, consumption of fluid milk has been going up and consumption of fluid cream has been decreasing. There is an old saying, "a pint is a pound the world around," but actually a quart of milk weighs 2.15 pounds. Hence, 352 pounds a year would be about 0.9 pint a day. Allowing for the milk that is used in cooking and baking, it is apparent that people drink considerably less than a pint a day.

Why don't people drink more milk? This question has received much "head scratching" and research. There seems to be no simple answer. Certainly, it cannot be because of any deficiency in health-building quality of the beverage. Its healthfulness is incontrovertibly documented by competent authorities completely divorced from the dairy industry.

Furthermore, it is doubtful that milk in most markets fails to measure up to required standards of quality. A Chester County dairy farmer, speaking about his efforts to get his milk into the best market at the best price, said: "The milk must be fresh, taste good, smell good, must be free of sediment, have adequate butterfat, and low bacteria count." Some of these things the consumer can

judge for himself; and matters like fat content and bacteria count, competition and public health authorities take care of. The question might well be asked, when, if ever, did you get bad milk delivered to your home?

What about the price? Is milk too expensive? How much more milk would be consumed if the price were reduced? This is another subject that has received a great deal of attention and research. It is true that wealthy families consume more milk than poorer families. But it is surprising to learn how many housewives do not know what the current price of milk is per quart and how many do not seem to care.

Most of the studies designed to find out how changes in the price of milk affect its consumption show that rising prices discourage consumption and falling prices encourage consumption, but not much. Though one should not put too much faith in figures, some market studies show that it takes about a 4 per cent change in price, upward or downward, to bring about a converse 1 per cent change in consumption. It takes a really big reduction in price to bring about a sizable increase in demand. That being the case, reducing the price, assuming it can be done, has its limitation as a means of increasing consumption.

The fat in milk is another problem. We are living in an age of girth-consciousness. Some people shy away from milk in the hope of stream-lining themselves down to some real or imaginary ideal of configuration. So here is where nonfat, dry milk solids come into the picture. Look at the line on the chart.

Nonfat dry milk solids

This is a long handle, promulgated by an Act of Congress, for what most other people call dry skim milk. As defined by the Federal Food and Drug

Administration, nonfat dry milk solids may contain not over 5 per cent moisture and not over 1.5 per cent milkfat by weight.

Dry skim milk is the fastest growing dairy product. Annual consumption per capita rose from one to almost five pounds, as the chart shows. It is made by several methods one of which is spraying partly concentrated milk into a chamber of hot air. This milk is easy to store and transport and, in terms of milk solids, is cheaper than fluid skim milk.

Fine, white, and soluble, dry skim milk comes in bulk and in packages of assorted sizes, including individual envelopes containing the quantity recommended by the manufacturer for one quart of reconstituted nonfat milk. It is used commercially in large quantities by bakers, meat processors, confectioners, and by some ice cream manufacturers. It is also an ingredient in prepared mixes for baked products, puddings, frozen desserts, soups, and infant foods.

Evaporated milk

Evaporated milk is a concentrated, sterilized product made by heating homogenized whole milk in a vacuum to remove about 60 per cent of the water, then sealed in cans and sterilized. Most of the evaporated milk on the consumer market has vitamin D added.

This milk product sells in larger quantities, but its past quarter-century rate of consumption has been slower than dry skim milk. Annual per capita consumption rose from 11 pounds in 1929 to a peak of 18 pounds in 1948, and has since receded to the 15-pound level. For home use it can be bought in 14½ ounce or little six-ounce cans. The product is easily transported and stored. A can to make a quart of fluid usually sells for less than a quart of market milk.

Cheese

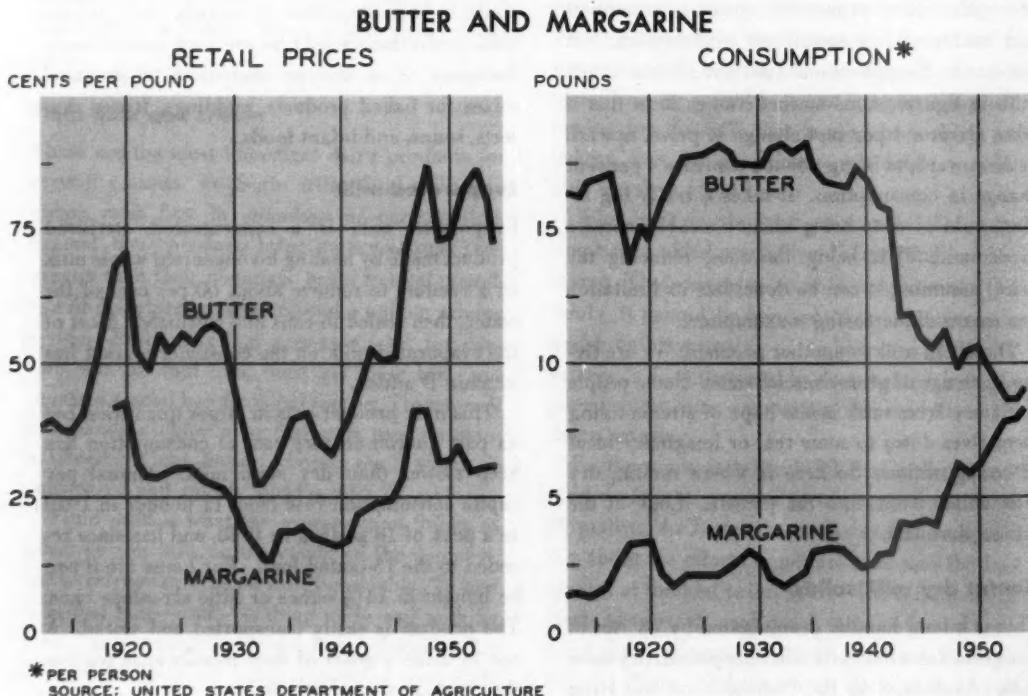
Now, here's something! Cheese comes in more variety, talks louder, and travels farther than any other dairy product. Furthermore, cheese is doing right well, trend-wise, as the chart shows. The increase in annual consumption per capita from 4.6 pounds in 1929 to 7.7 pounds in 1954, though not spectacular, nevertheless is very good, percentage-wise. Cheese is our chief dairy import but much cheese is manufactured in this country.

On the market are to be found cheeses under several hundred different names, but according to method of manufacture or the locality there are only about 18 distinct types. Even that is too much to detail here.

Cheeses may be divided into four general classes: Very hard, like Parmesan; hard, like Cheddar and Swiss; semi-soft, like Brick and Roquefort; and soft, like Camembert, Cream, and Cottage. Limberg is a soft cheese that announces its presence. Cup cheese is a soft cheese that runs like butter.

In the United States, cheese is generally made from cow's milk — whole or skim. Cheese is the curd of milk, separated from the whey by coagulating the milk. After separation, the curd is stirred and heated and the whey drained off.

Many cheeses are "cured"; that is, ripened or aged by holding the cheese for a definite time at a certain temperature and humidity. During these



processes, flavor and texture are developed by the action of bacteria or molds. To meet Federal standards, most cheeses must be made from pasteurized milk.

Ice cream

Ice cream is as Philadelphian as Independence Hall. Ice cream, invented a century ago, first appeared as a delicacy but has long served as an important food. It is a frozen mixture of cream or butterfat, non-fat milk solids, cane, beet, or corn sugar, flavor, and sometimes egg yolk solids, and perhaps a stabilizer.

Consumption per capita fell sharply during the depression of the thirties, subsequently rose to a peak in 1946, and eased off thereafter. Ice cream is encountering competition from other frozen desserts made out of vegetable fats. They look like and taste like ice cream. Not new, they nevertheless received a boost during World War II butterfat shortages and they have been growing rapidly. A big advantage in their favor is that they cost less than ice cream.

Butter

Butter really took a slide. Per capita consumption declined from 17 pounds in 1929 to 9 pounds last year. The reason, as everybody knows, is the competition of margarine—a spread made from vegetable fat. Margarine has long under-sold butter, and when butter prices went skyrocketing during the post-war and Korean days, margarine came into its own. The shift was aided by repeal of laws formerly standing in the way of margarine.

Some observers feel that butter will stage a comeback and they point to the fact that per capita consumption rose from 8.6 pounds in 1953 to 9.0 pounds in 1954. In further support of that view they cite the fact that production last

year was 13 per cent above the 1948-1952 average.

Butter of high quality has a pleasing aroma and a fresh, sweet flavor. The texture is smooth and waxy so that it spreads readily without crumbling. The color is uniform throughout and the salt, if added, is dissolved and evenly distributed. For cooking purposes, many women prefer it to vegetable fats.

Such, in brief, are the trends in consumption of the major dairy products. Some of the minor products, not considered, are condensed milk, buttermilk, chocolate milk and drink, dried whole milk, acidophilus milk, and Yoghurt. In the offing are products, such as, sterilized or concentrated milk and other dairy products.

Though the fortunes of the several major dairy products vary, consumption of milk and milk products, as a whole, is not growing as might be expected. The plain fact is that people do not consume as much milk as cows produce.

HERE'S TO YOUR HEALTH

The question is, can people be induced to use more milk? Can they be persuaded to buy more health? Can we drink up and eat up the surplus?

Health for sale

One of the numerous associations of the milk trade budgeted \$4 million this year to advertise dairy products by television, radio, magazines, and newspapers. Big-time entertainers with glass of milk in hand are appearing on TV screens for the benefit of adults, animated cartoons for children, milk-vending mirth makers for all ages. This program is supplemented with serious talks by professors and magazine advertisements in color of dainty dairy dishes. Ice cream, cheese, and other dairy products are included in the promotional campaign. Surely some prominent athletes

and actresses drink milk. They should not be overlooked.

The dairy surplus, it is said, would disappear rapidly if every American would drink one extra glass of milk every other day. That sounds simple enough, but the person who thought of that one probably did not think of the other surpluses. The wheat surplus is bigger than the dairy surplus. Perhaps the wheat surplus could be made to disappear if every American ate an extra slice of bread daily. And we have a corn surplus; an extra

rasher of bacon. An extra bag of peanuts. An extra . . . Hold it. Too much health is unhealthy.

The daylight-saving-time sun set about two hours ago. Dad fell asleep in his favorite living room chair while looking at TV. Mom is putting the finishing touches to the alteration of a graduation gown. Junior is raiding the refrigerator for a goodnight snack. A voice from the seamstress, "Don't drink any milk. We have only a quart and a half and we need that for breakfast." Tomorrow is a day of no delivery under every-other-day.

CURRENT TRENDS

Business recovery continues through most sectors of the economy in the Third Federal Reserve District. Retail sales, construction — particularly in the field of homebuilding—and weekly earnings of production workers in factories all reflect the increasing buoyancy that first appeared last mid-year. But manufacturing employment remains one area that has been slow in responding to the overall improvement in economic activity.

Because factory employment, earnings, and working time play such a decisive role in determining economic trends, it seems appropriate to take a closer look at what has been happening in these areas since the business recession "bottomed out" some nine months ago.

Employment has risen more nationally than locally

Recessionary forces had about the same impact on factory employment in this district as in the country generally. From the peak of September 1953 to the low point in July 1954, trends were

similar and the employment loss was 11 per cent in both cases. But in the past nine months the number working at factories in this district has risen only fractionally, while at the national level there has been an increase of approximately 4 per cent. About two-thirds of the country's gain occurred during the second half of 1954, when factory employment locally was about holding its own. In recent months, at least, this dissimilarity in trends has been accentuated by the rapid recovery in basic steel and automobiles, both relatively more important in the country than in this district.

Recovery in heavy goods has been spotty

Durable goods producers were the hardest hit when the recession came. In this district they suffered an employment loss of 14 per cent from the fall of 1953 to mid-summer of last year. Further small declines in each of the first two months of 1955 were followed by only a fractional increase in March.

But this is not to say that individual lines in the heavy goods division have all lagged in the matter of recovering some of their employment losses. In electrical machinery, where the earlier decline exceeded 20 per cent, the number employed rose 8 per cent between June 1954 and March of this year. And in stone, clay, and glass products employment was up 6 per cent. Minor increases ranging from 1 to 3 per cent also have occurred in primary and fabricated metals and in industrial instruments.

The transportation equipment and nonelectrical machinery lines experienced the most severe employment cutbacks in the nine months ended March 1955, reporting losses of 11 and 5 per cent, respectively. Transportation equipment has been particularly hard hit over the whole period from September 1953, principally because of the low level of activity in shipbuilding and the furlough of workers in railroad car building and repair shops. Machinery builders, too, have continued to reduce their working forces because of the interrupted flow of orders. In this industry, lead times are much longer than in some others. Thus the impact of the recession was not felt so quickly, but by the same token a resumption in ordering takes more time for translation into increased employment.

In nondurables, gains also have been small but on a broader front

Producers of soft goods began cutting back employment a little later than durable goods manufacturers, and in most cases the declines were more moderate. In this division, the number of employees was reduced by 8 per cent from September 1953 to about mid-year 1954. Small additions to working forces during February and March were sufficient to raise the employment

level about 1 per cent above last summer's low point.

Among individual lines of nondurables the most pronounced changes from June 1954 to March 1955 were in foods and apparel, both of which are subject to wide seasonal swings. So, some of the implications of a 6 per cent employment decline in foods and an increase of like amount in apparel should be discounted. Both rubber and leather producers, however, raised their employment about 3 per cent, and gains of 1 per cent have occurred in such lines as petroleum, chemicals, and printing and publishing. The number employed in textiles has not changed significantly in the past nine months.

On an area basis there is considerable variation

In most industrial areas, employment lows were reached about the middle of last year, although in places like Philadelphia, the Lehigh Valley, Lancaster, and Scranton these levels were repeated in January 1955. Factory employment in the York and Delaware areas touched bottom shortly after the turn of the year. In the past two months, employment increases have not been sharp in any of the ten major city areas. But small successive gains have been a source of encouragement in the Lehigh Valley, Lancaster, Wilkes-Barre, Reading, and Trenton areas, where March employment was measurably above the lowest points reached last year.

Working time has increased much more than employment

When order volume begins to slacken, employers shorten hours before they cut back employment. And as business picks up, working time is lengthened for the employees remaining on the rolls.

This seems to be axiomatic. It is exactly what happened early in 1953, some months before employment turned down. The procedure was reversed just about a year later with a sharp rise in working time preceding a very modest recovery in employment. In this Federal Reserve District, average weekly hours for production workers have risen 5 per cent above the low point of April 1954, and are little more than 2 per cent under the pre-recession high reached in March 1953. Average working time has made a more impressive recovery among producers of nondurables than in the durable goods lines.

Employee earnings have made the best recovery of all

Average weekly earnings of production workers have shown a sharp and almost uninterrupted rise since the spring of last year. In March, they were almost 7 per cent above their 1954 low and exceeded the 1953 peak by 2 per cent. Earnings on this basis have risen more sharply for workers in

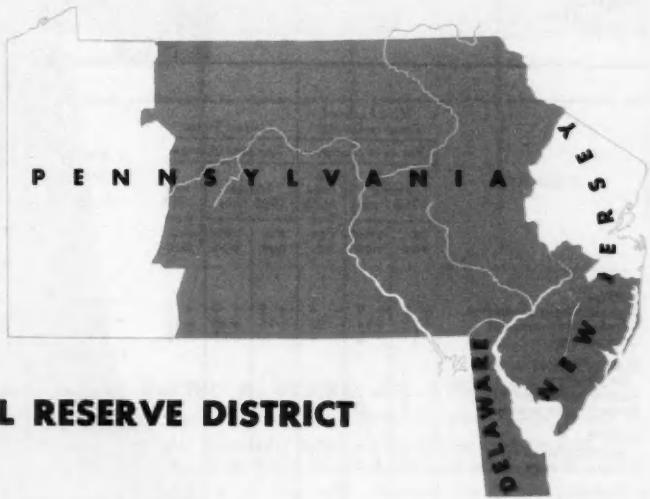
nondurable goods lines than for those employed in durables. The main factor in the advance in average weekly income has been the increase in working time. Average hourly earnings, however, have continued to rise, reflecting both higher rates of pay and a lengthening of the work week to include more overtime.

NEW PAMPHLET AVAILABLE

A brief and simplified description of **The Fundamentals of Federal Reserve Policy** has been prepared and is now available.

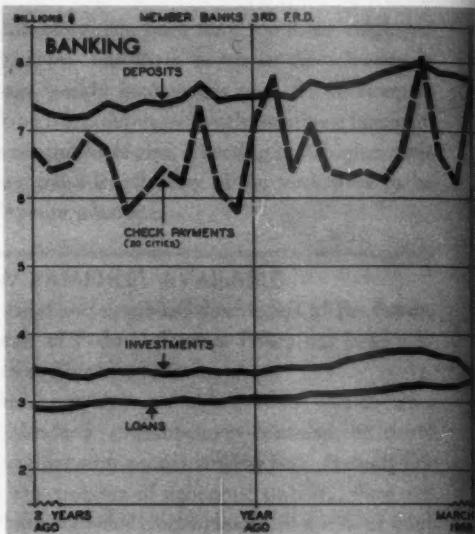
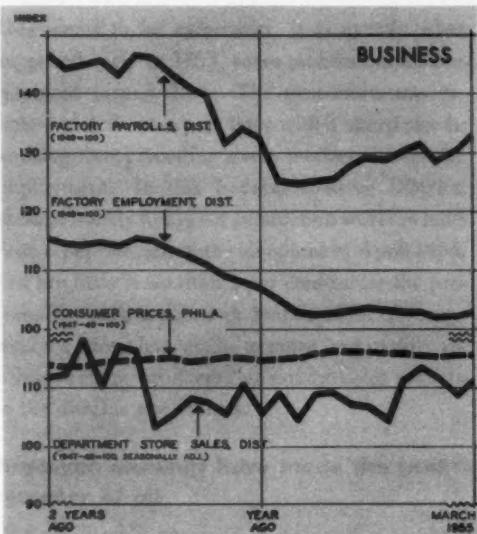
This pamphlet—an abbreviated version of a flannel-board presentation—contains a dozen illustrations with accompanying text. It deals first with the problem of economic stability, then with the nature of the credit market, the role of commercial banks, and finally with the role of the Federal Reserve in influencing the money supply.

Copies for classroom and other uses are available upon request to the Department of Research, Federal Reserve Bank of Philadelphia.



THIRD FEDERAL RESERVE DISTRICT

FOR THE RECORD...



SUMMARY	Third Federal Reserve District			United States			LOCAL CHANGES	Factory*		Department Store		Check Payments		
	Per cent change			Per cent change				Employ- ment	Payrolls	Sales				
	March 1955 from			3 mos. 1955 from year ago				Per cent change March 1955 from	Per cent change March 1955 from	Per cent change March 1955 from				
	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago	mo. ago	year ago		
OUTPUT														
Manufacturing production	+ 2	- 2	- 4	+ 2	+ 9	+ 7								
Construction contracts*	+13	+14	+20	+15	+36	+34								
Coal mining	-11	+6	+1	-9	+18	+12								
EMPLOYMENT AND INCOME														
Factory employment (Total)	+ 1	- 4	- 5	+ 1	0	- 1								
Factory wage income	+ 2	0	- 2											
TRADE**														
Department store sales	+ 2	+ 5	+ 5	+ 1	+ 8	+ 8								
Department store stocks	0	+ 1		+ 2	+ 2									
BANKING (All member banks)														
Deposits	- 1	+ 3	+ 4	- 9	+ 4	+ 5								
Loans	+ 3	+ 8	+ 7	+ 3	+ 8	+ 8								
Investments	- 3	+ 3	+ 5	- 3	+ 8	+ 8								
U.S. Govt. securities	- 3	- 1	+ 1	- 4	+ 6	+ 7								
Other	- 2	+13	+16	+ 1	+13	+13								
Check payments	+221	+ 7†	+ 8†	+20	+ 4	+ 5								
PRICES														
Wholesale	0†	+ 1†	0†	0	0	0								
Consumer														

*Based on 3-month moving averages.

**Adjusted for seasonal variation.

†20 Cities
Philadelphia

*Not restricted to corporate limits of cities but covers areas of one or more counties.

